(a) whether it is a fact that atleast 3000 drug offenders are behind bars in Delhi Jail and awaiting trial;

(b) if so, since when most of these offenders are awaiting trial;

(c) what are the legal hurdles which have stalled the judicial process; and

(d) what steps are being contemplated to expedite such cases?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M V CHANDRASHEKHAR MURTHY): (a) As per available information, there are 1456 drug offenders awaiting trial in Central Jail, Tihar, New Delhi.

(b) More than 10 years
5 to 10 years
66 3 to 5 years 303 1 to 3 years
551
6 Months to 1 Year
168 Less than 6 months 367
TOTAL: 1456

(c) They are attending the courts when summoned. Delay in completion of their trials is attributable to large pendency of cases in courts.

(d) The Government of Delhi has set up 10 Special Courts for speedy trial of offences under the NDPS Act

Wealth tan on agricultural land

3723. SHRI BHUPINDER SINGH MANN: Will the Minister of FINANCE be pleased to state:

(a) what is the rate of "Wealth Tax' imposed on agricultural land adjacent to cities or far away from it;

(b) what is the jurisdiction of imposing such tax; and

(c) what steps are being taken to remove this tax?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHAR MURTHY): (a) Wealth tax is payable on the net wealth, computed under the provisions of the Wealth tax Act, at the rate of one per cent of the amount by which the net wealth exceeds Rs.15 lacs. The Finance Aci, 1992 has specified only six assets which are exigible to wealth-tax. Agricultural land is not one of the specified assets.

(b) Wealth-tax is imposed as per the provisions of the Wealth-tax Act, 1937 (Act No. 27 of 1957).

(c) There is no proposal at present to remove Wealth-tax.

Reforms not for the Poor

3724. SHRI KRISHAN LAL SHARMA: Will the Minister of FINANCE be pleased to state:

(a) whether the attention of the Govt, has been drawn to a news items published in the Economic Times dated 8th June, 1994 under the heading "Reforms not helping poor".

(b) if so, the reaction of Govt, thereto; and

(c) the comparative impact of new economic reforms on prices and employment in the country during 1992-93 and 1993-94?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHAR MURTHY): (a) Yes, Sir.

(b) In India, the economic reforms were introduced in response to our felt needs to overcome the economic crisis of 1991 and to put the economy on the path of sustainable higher and broad-based growth. Since the introduction of economic reforms, the economic situation in the country has improved in several respects.

(i) The growth rate of GDP which had fallen to 1.2 per cent in 1991-92 improved to about 4 per cent in the subsequent two years,

(ii) The balance of payments position improved dramatically following a 20 per cent increase in exports in dollar terms in 1993-94 and a sharp increase in capital inflows.

(iii) The foreign exchange reservers (excluding gold and SDRs) stood at $ 15.1 billion at the end of 1993-94 and $ 17.6 billion as on August 12,

1994 as compared to $ 1.1 billion in July, 1991.

(iv) The growth in external-debt, which was more than $ 6 billion per annum in the latter 1980s, came down to about $ 3 billion during 1991-93 and further to about $1.3 billion during 1993-94.

(v) Foreign investment inflows increased sharply in 1993-94 to about $ 4 billion as compared to $ SSS million in 1992-93 and $ 148 million in 1991-92.

(vi) Overall industrial production which had declined marginally by 0.8 per cent in 1991-92, increased by 2.3 per cent in 1992-93, by 3 per cent in 1993-94 and by 8 per cent in April, 1994, signifying a recovery from the past recessionary trends.

The Government is also well aware of possible short-term adverse impact of economic reforms on the poor and has, therefore, taken a number of steps to minimise them. Some of the important measures taken in this respect include: strengthening of public distribution system and its revamping in 1854 blocks in remote and backward areas; a considerable stepping up of budgetary allocations for rural development and programmes of social sectors; strengthening of special schemes of employment generation and new schemes of Prime Minister's Rozgar Yojna and Employment Assurance Scheme; setting up of National Renewal Fund etc.

(c) Price rise and employment depend on a number of factors, including policies initiated since the introduction of economic reforms. The annual rate of inflation based on Wholesale Price Index was 7.02 per cent in 1992-93 and 10.81 per cent in 1993-94 as against 13.56 per cent in 1991 - 92. Overall additional employment of around 6.4 million is estimated to have been generated in 1992-93 and 5.6 million in 1993-94 as against about 3 million in 1991-92.

Indian Overseas Bank

3725. SHRI GHUFRAN AZAM: Will the Minister of FINANCE be pleased to slate:

(a) whether it is fact that cumulative losses of Indian Overseas Bank have eroded the possibilities of finding alternative capital base of the Bank;

(b) whether the auditors have served on the Bank a qualified report;

(c) whether in order to hide the deficiencies of the management the bank has filed number of court cases against small account holders whose accounts have been inoperative for over a decade;

(d) whether such small account holders have been urging the bank to settle the issues by applying moratorium of interest etc. but all in vain despite assurances from the headquarters of the bank;

(e) if so, the facts and details thereof; and

(f) what further steps are to be taken to cause necessary changes in the bank's capital base and to cause out of court settlement of those account holders who made appeals to the bank as on 31st March, 1991 or thereabout?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHAR MURTHY): (a) The losses incurred by a bank can affect its prospects of raising equity from the capital market.

(b) The Indian Overseas Bank (lOB) has intimated that the auditors have not served on it a qualified report.

(c) No such instance has come to the notice of the bank.

(d) and (e) IOB has intimated that cases for out of court settlement are examined by it on merits without jeopardising the bank's interest.

(f) The bank in taking steps to improve its performance and reduce its losses. In the meantime, Government is extending support to the bank to enable it to augment its equity.

The bank has intimated that the requests of account holders for out of court settlement were considered on merits and appeals made as on 31st March, 1991 were attended to and disposed of.